DEPARTMENT OF HEALTH AND HUMAN SERVICES
HEALTH CARE FINANCING ADMINISTRATION

FORM APPROVED
OMB NO. 0938-018

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL

FOR: HEALTH CARE FINANCING ADMINISTRATION

1. TRANSMITTAL NUMBER: 0 1 — 0 8

2. STATE: WV

3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)

TO: REGIONAL ADMINISTRATOR
HEALTH CARE FINANCING ADMINISTRATION
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE
April 1, 2001

5. TYPE OF PLAN MATERIAL *(Check One)*:

☐ NEW STATE PLAN ☐ AMENDMENT TO BE CONSIDERED AS NEW PLAN ☒ AMENDMENT

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT *(Separate Transmittal for each amendment)*

6. FEDERAL STATUTE/REGULATION CITATION:
Social Security Act 1902(a)(28)

7. FEDERAL BUDGET IMPACT:
a. FFY 2001 $ -0-
b. FFY 2002 $ -0-

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:
Attachment 4.19-D-1
Page 14

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT *(If Applicable)*:

10. SUBJECT OF AMENDMENT:
This amendment will permit a nursing facility to request a reduction in bed size for two rate periods.

11. GOVERNOR'S REVIEW *(Check One)*:

☒ GOVERNOR'S OFFICE REPORTED NO COMMENT
☐ COMMENTS OF GOVERNOR'S OFFICE ENCLOSED
☐ NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL
☐ OTHER, AS SPECIFIED:

12. SIGNATURE OF STATE AGENCY OFFICIAL:
Phillip A Lynch

13. TYPED NAME:
Phillip A. Lynch

14. TITLE:
Acting Commissioner

15. DATE SUBMITTED:
March 26, 2001

16. RETURN TO:
Phillip A. Lynch, Acting Commissione
Bureau for Medical Services
350 Capitol Street, Room 251
Charleston, WV 25301-3706

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED: 3/29/01

18. DATE APPROVED: May 22, 2001

PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL: 4/1/01

20. SIGNATURE OF REGIONAL OFFICIAL: Claude V Campbell

21. TYPED NAME: CLAUDE V CAMPBELL

22. TITLE: ASSOCIATE REGIONAL ADMINISTATOR DIVISION OF MEDICAID & STATE OPERATIONS

23. REMARKS:

FORM HCFA-179 (07-92)

Instructions on Back

4.19 Payments for Medical and Remedial Care and Services

ATTACHMENT 4.19-D-1

Methods and Standards for Determining Payment Rates for Non-State-Owned Nursing Facilities - (Excludes State-Owned Facilities)

1. Semi-Annual Cost Reporting - The average per patient day cost of service is compared to the cost incurred in providing the same services in the prior cost reporting period. The percentage of change is then expressed as an increase or decrease in the cost from the prior period.

2. Regulatory Costs - Regulatory costs, such as minimum wage increase, FICA increase, and Worker's Compensation changes may be considered as a component of the inflation factor.

3. National Date - The Consumer Price Index (CPI) for the most current cost reporting period is analyzed and compared with state experience.

D. Change in Bed Size

A cost adjustment may be made during a rate period where there has been a change in the facility bed size if it affects the appraisal value of the facility. In this instance, an appraisal of the facility will be completed after the change in bed size has been certified. Any revision of the per diem rate as a result of the change in bed size will become effective with the month the facility changes were certified by the state survey agency.

E. Voluntary Reduction In Bed Size

A facility that has experienced an occupancy below 90% for two consecutive rate periods may request a temporary reduction in bed size. The voluntary reduction in beds will not effect the facilities peer grouping for the purpose of establishing the per diem reimbursement rate and shall remain in effect for no more than two rate periods or one year after which the facility will revert to its original certified number of beds. The facility will be required to restrict admissions and is required to provide prior notification before the restricted beds can be placed back into operation.

F. PROJECTED RATES

Projected rates will be established for new facilities with no previous operating experience for a period of eighteen months. The facility may choose to go off the projected rate at any time after a full six months of operating experience in a cost reporting period. Projected rates may be established for a maximum period of eighteen months where there has been a change of ownership and control of the operating entity, and the new owners have no management experience in the facility. Where there has been a change of ownership from a corporation to an individual or individuals, from an individual or individuals to a corporation, or from one corporation to another, the ownership of the stock of the corporation(s) involved will be examined by State agency in order to determine whether there has been an actual change in the control of the facility. Where ownership changes from an individual to a partnership, and one of the partners was the former sole owner, there has been no change of control.